

October 26, 2023

Vanessa Countryman
Secretary Securities and Exchange Commission 100 F Street NE
Washington, DC 20549

Via electronic mail

Re: Corporate Board Diversity RIN: 3235-AL91

Dear Ms. Countryman:

[Latino Corporate Directors Association \(LCDA\)](#) respectfully submits this letter to the U.S. Securities and Exchange Commission (“SEC”) to comment on its consideration of a rule proposal related to corporate board diversity. LCDA is a member of the Thirty Percent Coalition, a group of institutional investors who represent over \$8 trillion AUM. LCDA is a community of Hispanics/Latinos at the highest levels of corporate leadership and corporate governance committed to advancing equitable representation of Hispanic/Latinos in the boardroom.

Research has shown that diversity in its broadest sense helps groups make better decisions and avoid group-think. For years, research has also illustrated that corporations with diverse leadership teams that are inclusive of gender, race, and ethnicity outperform their peers.¹

There is clearly a pervasive, enduring demand among investors for data and disclosure on board composition, as evidenced by the preponderance of institutional investors, both large and small, that factor corporate board diversity into proxy voting decisions.

Reporting and disclosure are essential for accountability and progress toward achieving board diversity that includes Latinos. Public company directors have a responsibility to be transparent to you, investors, stakeholders, and shareholders so all can make informed decisions about where to invest their money. The best practice is for directors to voluntarily self-identify their gender, race, ethnicity, and sexual orientation, and report the breakdown of these demographics on the company’s website. This information should be easily and readily accessible to the public.

Furthermore, companies should disclose the demographic composition of their boardroom and senior executives, with data disaggregated by gender, Hispanic/ Latino, AfricanAmerican/Black, Pan-Asian and Pacific Islanders, Native Americans, Alaskan and Hawaiian Natives, and other categories, including further disaggregating Two Races or More. It is not a value-add for companies to attempt to combine all of these distinct cohorts into one diversity category and frame it as People of Color (POC) or Black, Indigenous, People of Color (BIPOC). Each is a unique demographic.

Despite broad consensus that board diversity data is decision-useful to investors and widespread demand among investors for such information, the current disclosure framework does not address investor needs and is best characterized as disorderly and inefficient. There is no formal, standardized source of racial/ethnic,

¹ [e.g., McKinsey & Company: Diversity Wins – May 2020](#)

LGBTQ+ or disability data regarding board composition among U.S. listed companies, and so gathering this information requires investors to spend crucial time, effort, and money to attempt to locate this data.

Given the objectives of the SEC to protect investors and maintain fair, orderly and efficient markets, we respectfully request that the SEC require all companies that trade on U.S. exchanges to disclose diversity metrics in the proxy statement or, if there is no proxy filing, in another appropriate document filed with the SEC.

Additionally, we request that such a rule include provisions to advance transparency, such as:

- Disclosure based on voluntary self-identification; and
- Reporting that disaggregates data by the categories in the Nasdaq Rule and supplemented with disability disclosure, in a format like that required by the Nasdaq Rule (i.e. "Board Matrix"). This enables investors to clearly ascertain the level of diversity among directors and facilitates comparability across companies.

LCDA appreciates the SEC's consideration of these comments and would be pleased to discuss them in greater detail. If you have any questions or need any additional information, please contact Tracy Michelle León at tmleon@latinocorporatedirectors.org.

Respectfully,



Ozzie Gromada Meza
President & CEO
Latino Corporate Directors Association

cc by email:
Chair Gary Gensler
Commissioner Hester Peirce
Commissioner Caroline Crenshaw
Commissioner Jaime Lizarraga
Commissioner Mark Uyeda